

**Westmoreland Amends ROVA Contracts,
Creates Cash Savings Through 2019**

Englewood, CO – December 28, 2016 – Westmoreland Coal Company (Nasdaq:WLB) today announced that it amended its power supply agreement with Dominion Virginia Power, a subsidiary of Dominion (NYSE:D). Beginning March 1, 2017, Westmoreland will create cash savings as it will no longer be required to operate the Roanoke Valley Power Facility (“ROVA”). Under the amendment, Westmoreland will begin to provide the required contracted level of energy to Dominion through power purchase contracts, in lieu of providing it by operating ROVA.

“Amending the ROVA contract is a successful step toward our goal of reducing the impact of our non-core assets,” said Kevin Paprzycki, Westmoreland’s Chief Executive Officer. “This amendment allows us to meet our future capacity obligations through purchase contracts, instead of running our ROVA facility. By no longer operating ROVA, we will reduce our projected cash flow burn by \$13 million through March 2019, with the most meaningful cash savings occurring in 2019. Additionally, we are now more aggressively pursuing the sale of the remaining physical facility. I’d like to thank the team for their great efforts in 2016 which resulted in this transaction.”

Westmoreland continues to anticipate the release during 2017 of nearly half of the \$22 million in restricted cash in place at September 30, 2016. This restricted cash serves as collateral for existing ROVA power contracts. Recent higher power prices are expected to lower the required cash collateral levels.

About Westmoreland Coal Company

Westmoreland Coal Company is the oldest independent coal company in the United States. Westmoreland’s coal operations include surface coal mines in the United States and Canada, underground coal mines in Ohio and New Mexico, a char production facility, and a 50% interest in an activated carbon plant. Westmoreland also owns the general partner of and a majority interest in Westmoreland Resource Partners, LP, a publicly-traded coal master limited partnership (NYSE:WMLP). Its power operations include ownership of the two-unit ROVA coal-fired power plant in North Carolina. For more information, visit www.westmoreland.com.

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Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements are based on Westmoreland’s current expectations and assumptions regarding its business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that

are difficult to predict. Actual results may differ materially from those contemplated by the forward-looking statements. Westmoreland cautions you against relying on any of these forward-looking statements. They are statements neither of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include political, economic, business, competitive, market, weather and regulatory conditions.

Any forward-looking statements made by Westmoreland in this news release speak only as of the date on which it was made. Westmoreland undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required by law.